

# **REQUEST FOR PROPOSALS FOR COMMUNITY DEVELOPMENT FUNDING**

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## **Community Housing Development Organization (CHDO) Funds**



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**City of Albany  
Community Development Agency  
200 Henry Johnson Blvd.  
Albany, NY 12210**

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**Funds Provided by the U.S. Dept. of Housing & Urban Development**

## APPLICATION SUMMARY

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Completed applications and all required attachments must be physically received (postmark not acceptable) at the Community Development Grants Administration office **no later than 4:00 pm on Friday January 8, 2016**. No extensions will be granted and late applications will not be accepted.

Submit the original and five (5) copies to:

Albany Community Development Agency  
200 Henry Johnson Blvd  
Albany, NY 12210

Faxed or electronic applications will **not** be accepted. All proposals received after the closing date noted above will be returned to the applicant without review.

### **PLEASE BE CERTAIN TO**

- Complete and submit *1 original and 5 unbound copies* (clips or accordion folders are preferred) of all documents.
- Attach all required supporting documentation as requested in the application.
- If you are applying for more than one project, you must submit a separate application with all required documentation.
- Follow the prescribed format for Application preparation closely. Present information in the order indicated.
- If you replicate this application, it must be consistent in all aspects of the original application.
- Do not submit materials other than those specifically requested. Letters of Support and Appendices submitted under separate cover will not be considered and therefore discarded.

**If your Application is funded, some additional documentation will be required prior to executing a contract between the City of Albany and your organization.**

## **BACKGROUND:**

Community Housing Development Organization (CHDO) is a special status that ACDA can provide to a private non-profit, community-based organization whose primary purpose is to provide and develop affordable housing for the community it serves. This status means that ACDA has certified that the organization meets specific qualifications as required by HUD's HOME Investment Partnership Fund (HOME) program regulations.

CHDO set-aside funds provide equity for community-based organizations to undertake projects, build their capacity to serve a broad range of affordable housing needs and provide guaranteed resources for affordable housing development. Participating Jurisdictions (PJ's) are required to set-aside a minimum of 15% of their HOME allocation for housing development activities in which qualified CHDOs are the owner, developer, and/or sponsor of affordable housing in the communities that they serve. The U.S. Department of Housing and Urban Development has not yet notified ACDA of its Year 42 funding allocations. For purposes of this RFP, ACDA will be basing its available CHDO funds on its year 41 allocation. Therefore, at the time of this RFP, \$116,380 is available for programming. If ACDA's funding allocation is Greater than, or less than this amount, awards will be adjusted accordingly.

A certified CHDO must serve as the developer, sponsor, or owner of a HOME-eligible project when using funds from the 15 percent CHDO set-aside. A CHDO may serve in one of these roles for several projects or it may undertake projects in which it combines roles, such as being both an owner and developer.

## **HOME CHDO Set-Aside Eligible Activities**

HOME CHDO Set-Aside funds are for use by City of Albany designated CHDOs. **Eligible activities include:**

### **1. Assisting homebuyers with purchasing newly constructed or rehabilitated housing developed by the CHDO**

- The CHDO must obtain financing, construct/rehabilitate the dwelling and have title to the property. The HOME loan/grant obligations must be transferred to the homebuyer within a specified time frame.
- This can include a lease-purchase program where the unit is sold within 36 months of completion.

### **2. Developing newly constructed affordable housing.**

- The CHDO can develop, which includes obtaining the financing to construct, and manage the property for the long-term;
- Or, the CHDO can own in partnership where the CHDO is the general partner (i.e. decision-making authority);
- Or the CHDO has obtained financing to construct the project and transfers the project to another entity for long-term ownership and management. If the CHDO

does not own the property, the CHDO must enter into a contractual obligation with the property owner. This contractual obligation is independent of the agreement between the CHDO and the City of Albany;

**3. Purchasing an existing building and rehabilitating it for use as affordable housing.**

- The CHDO can develop, which includes obtaining the financing to rehabilitate, and manage the property for the long-term;
- Or, the CHDO can own in partnership where the CHDO is the general partner (i.e. decision-making authority);
- Or the CHDO has obtained financing to rehabilitate the project and transfers the project to another entity or long-term ownership and management. If the CHDO does not own the property, the CHDO must enter into a contractual obligation with the property owner. This contractual obligation is independent of the City of Albany.

**INELIGIBLE HOME CHDO Set-Aside Activities**

- 1. Owner-occupied rehabilitation programs where the CHDO does not hold title to the property at any time and therefore does not have effective project control;**
- 2. Direct homeownership assistance programs where the CHDO does not hold title to the property at any time and therefore does not have effective project control.**

CHDO dollars should always be used to leverage and complement other sources of financing and to close funding gaps. Priority will be given to projects that demonstrate substantial leveraging of other funds.

***CHDO ACTIVITIES MUST OCCUR IN  
THE CITY OF ALBANY***

***REQUESTS FOR PROJECTS OR ACTIVITIES OUTSIDE OF THE CITY OF  
ALBANY WILL BE REJECTED***

## **ELIGIBLE APPLICANTS**

1. A nonprofit organization, qualified as a 501(c)(3) organization, at the time of grant application submission.
2. Applicant has a history of serving the community within which housing to be assisted with HOME funds is to be located, as evidenced by
  - Documentation of at least one year of experience in serving the community and
  - Documentation of staff with developer experience in housing
3. Applicant must be eligible for CHDO Certification and certified by the City of Albany prior to contract execution and the disbursement of funds.

**Individuals may not apply for direct assistance.**

## **HOME REQUIREMENTS**

The source of funding for the CHDO program is Federal HUD HOME Investment Partnerships Program funds. These funds have federal regulatory requirements that must be met in the case of any HOME fund investment in a project. These regulatory requirements apply to all projects funded through this application process. These regulatory requirements include but are not limited to:

- Required affordability periods (ACDA HOME projects will have 5 - 20 year affordability periods, depending on type of project and amount of subsidy)
- Low and very low income targeting
- Property standards
- Periodic property inspections
- Annual rent and occupancy reporting
- Affirmative marketing and fair housing
- Limits on HOME subsidies
- Limits on rents
- 504 Accessibility requirements
- Lead Safe provisions
- Universal Relocation Act
- Davis Bacon and Section 3 (labor standards)
- Environmental reviews

An environmental review is required before ACDA can commit any HOME Program funding and therefore it is essential that developers **do not proceed** with any activity (e.g., acquisition, rehabilitation, demolition, construction, etc.) prior to the release of funds lest the project or activity be rendered ineligible for HOME funding.

**It is anticipated that most acquisition and rehabilitation activities undertaken through the HOME Program will not be subject to the full NEPA environmental assessment due to qualification for categorical exclusion. However, most activities are expected to be subject to the Statutory Checklist performed by the City of Albany Community Development Agency. Projects that are exempt or categorically excluded are still**

required to maintain an Environmental Review Record containing all relevant environmental documentation. Developers should be aware that the Statutory Checklist will trigger a more detailed review if the property is:

- **Located within designated coastal barriers;**
- **Listed on, or eligible for, the National Register of Historic Places;**
- **Located within a special flood hazard area;**
- **Located near hazardous industrial operations (handling fuels or explosive/flammable chemicals);**
- **Contaminated by toxic or radioactive materials; or,**
- **Located within airport clear and military accident potential zones**

## **CHDO REQUIREMENTS**

In order for a CHDO to be eligible for set-aside funds, the CHDO must be organized and structured according to the standards provided in the HOME regulations (as described in Attachment A), and must develop, own or sponsor the HOME-assisted Housing.

- A CHDO is a "developer" when it (1) either owns a property and develops a project, or has a contractual obligation to a property owner to develop a project; and (2) performs all the functions typically expected of for-profit developers, and assumes all the risks and rewards associated with being the project developer.
- The CHDO is an "owner" when it holds valid legal title to or has a long term (99 year minimum) leasehold interest in a rental property. The CHDO may be an owner with one or more individuals, corporations, partnerships or other legal entities. If it owns the project in partnership, it or its wholly owned nonprofit or for-profit subsidiary must be the managing general partner with effective control (i.e., decision-making authority) of the project. The CHDO may be both owner and developer, or may have another entity as the developer.
- A CHDO is a "sponsor" for HOME-assisted rental or homebuyer housing according to the circumstances outlined in Attachment A (In either case, the CHDO must always own the property prior to the development phase of the project).
- At least 1/3 of board membership is for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations.
- No more than one-third of the governing board members may be public officials (including any employees of the City) or appointed by public officials, and government-appointed board members may not, in turn, appoint any of the remaining board members.
- It is understood that the Agency will certify that it is (or before contract execution), and will maintain CHDO (Community Housing Development Organization) status for the term of the project/agreement in accordance with 24 CFR 92.

Agency agrees to provide information as may be requested by ACDA to document its continued compliance, including but not limited to an annual board roster and certification of continued compliance.

If the project is rental, the Agency will create and follow a tenant participation plan as required in 24 CFR 92.303.

The designated HOME-assisted units of this PROJECT will meet the affordability requirements as found in 24 CFR 92.252 (rental) or 92.254 (owner-occupied) as applicable.

## **APPLICATION SCORING**

The review committee will give weighted consideration to applications that will:

- Leverage other funds (private and/or public).
- Serve the lowest-income segment of the population.
- Use workers from the neighborhood and/or give priority to Minority/Women/Disadvantaged/Small/Section 3 business enterprise contractors.
- Encourage more neighborhood diversity and increase housing choices within the neighborhood.
- Use green building principles.
- Coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies.

## **INSTRUCTIONS FOR COMPLETING THE APPLICATION**

Submission of an application does not guarantee funding. For all projects financed by CHDO Set-aside funds, CHDO dollars must be used to leverage and complement other sources of financing and to close funding gaps. ***CHDO Set-aside dollars may not be used as the sole source of funding.***

**Completed applications and required attachments must be received at the Albany Community Development Agency no later than 4:00 pm on Friday January 8, 2016. No extensions will be granted. Submit the original and five (5) copies to:**

Albany Community Development Agency  
200 Henry Johnson Blvd.  
Albany, NY 12210

Questions may be directed to James Matteo at 518-434-5240 or [matteo@ci.albany.ny.us](mailto:matteo@ci.albany.ny.us)  
Your application should be submitted on or before the above indicated date and time and should include all items indicated below:

1. A fully completed application. If a question does not apply, indicate this on the application.
2. Project or Business plan.
3. Project cost analysis including acquisition, construction, rehabilitation, renovation and other applicable costs
4. Source of funding. Provide copies of any financial commitments obtained for acquisition, construction and permanent loans.
5. Projected pro-forma throughout the HOME affordability period for all rental projects (Not required for Homebuyer Projects).
6. Management Plan. Provide detailed plan for ongoing property management(Rental Projects).
7. Sales plan. Provide detailed plan for sale of units (Required for Homebuyer Projects).
8. An affordability analysis indicating the income level of the household that can afford the proposed housing at current interest rates or rent levels.
9. Applicants should include audited financial statements for two years, if in existence for less than two years, all statements received to date (balance sheets, cash flow statements, and profit and loss statements). For special limited purpose corporations, the supporting organization's statements.
10. Site photos showing front and rear of building (if applicable). If vacant land, pictures from the north, south, east and west.
11. Market Assessment/Analysis (see Attachment B).
12. Resumes and qualifications of appropriate agency staff and the development team.
13. Post rehabilitation or new construction appraisal.



## **CORPORATE DOCUMENTATION to be included with the Application**

Submit *one copy* of the following documents:

1. Articles of Incorporation
2. Corporate By-Laws
3. A roster of the current board of directors
4. Corporate Organizational Chart
5. Federal Tax Exemption determination letter
6. State Sales Tax Exemption Status Letter with Tax Exempt number indicated
7. Accounting policies and procedures
8. Personnel policies and procedures

***If your Application is funded, some additional Financial documents will be required to execute a contract between the City of Albany and your organization. The City of Albany reserves the right to request additional information as deemed necessary.***

## **NOTICES**

The City of Albany Community Development Agency reserves the right to reject any or all proposals. Contract awards based on submitted proposals shall further be subject to actual availability of sufficient HOME funds. Should the availability of HOME funds be reduced, the City of Albany Common Council can modify and reduce the award. In the event of such a modification or reduction, the recipient shall be notified in advance of the pending Common Council meeting where such action shall take place.

All materials submitted shall become public records retained by the City of Albany, with the following exceptions: late and/or incomplete applications or requests for funding for projects that are not a part of this solicitation, will be returned to the applicant without further review, and materials not requested as part of the application packet will be discarded.

If applicant makes a false statement or misrepresentation in this application to obtain HOME funds and funds are awarded, the funds and contract will be in default and the City may declare all of any part of the funds paid out immediately due and repayable to the City and the contract voided.

## **FUNDING DECISION**

The City's review process entails four levels of review prior to final authorization of a federally assisted project:

- 1) Staff Evaluation Team reviews applications for responsiveness to RFP requirements
- 2) Determine ESG Eligibility of proposed activities
- 3) Eligible activities are reviewed and evaluated by ACDA's Ad Hoc Committee and Staff Evaluation Team.
- 4) Funding is approved by the City Council

**An organization that has sought funding may appeal to the City Council at any of the Public Hearings held to obtain citizen comments. Written appeals may also be submitted to the Community Development Department prior to adoption of the final budget in April 2016.**

Public hearings will be noticed in local newspapers in the Legal Notice section.

## **FAITH-BASED ORGANIZATIONS**

Per the regulations of the U.S. Department of Housing & Urban Development, organizations may not use HUD funds to support inherently religious activities such as worship, religious instruction, or proselytization.

*ALL AWARDS ARE SUBJECT TO NEGOTIATION OF FINAL TERMS.*

Organization Name: \_\_\_\_\_

Organization Address: \_\_\_\_\_ City \_\_\_\_\_  
Zip \_\_\_\_\_

Contact Person: \_\_\_\_\_ Title \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax: \_\_\_\_\_

E-Mail: \_\_\_\_\_ FEIN \_\_\_\_\_

DUNS Number \_\_\_\_\_

Applicant type (Please all that apply):

- ☐ City-Certified CHDO (include date of most recent certification) Date \_\_\_\_\_
- ☐ **Project Owner** – holds valid legal title to or long term leasehold interest in the property or majority ownership in L.L.C. that does.
- ☐ **Project Developer** – developing the project, or has a contractual obligation to develop the project.
- ☐ **Project Sponsor** - project is owned solely or partially and the sponsor agrees to convey ownership to a second non-profit at a predetermined time prior to or during development or upon completion.

**IF** Limited Partnership: Name of **each** partner and their respective role within the proposed project: \_\_\_\_\_

Does the Non-Profit organization have an ownership interest, directly or indirectly, in the Development? ☐ Yes ☐ No If Yes, state interest in terms of percentage: \_\_\_\_\_ %

**Proposals must be authorized and signed by the Chief Executive Officer -AND- an official of the Board of Directors.**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

## PART I: PROJECT DESCRIPTION

1. **Describe the Project:** Briefly identify the project location and the specific activity to be completed.

Project Type:	<input type="checkbox"/> Rental	OR	<input type="checkbox"/> Homebuyer
	<input type="checkbox"/> Rehab	OR	<input type="checkbox"/> New Construction

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- a. **Please attach photos of the site and sketches or drawings of the proposed project.**

\_\_\_\_\_ Photos and/or sketches are attached

2. **Households/Clients Served:** Briefly *describe the specific population* to be served, including *target income level* and *special needs populations*, as applicable.
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3. **Indicate the unduplicated number of units/household to be served**
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## PART II: PROJECT TIMELINE

1. Complete a timeline for the project, indicating critical events, such as construction start/finish dates, lease up/sales, etc.

	Date	(Days)	Date
<b>A. Environmental Review</b>			
<b>B. Site</b>			
Real Estate-Option/Contract			
Site Analysis			
Zoning Approval			
Site Acquisition			
<b>C. Financing</b>			
1. <u>Construction loan (if applicable)</u>			
Firm Commitment			
2. <u>Permanent loan</u>			
Firm Commitment			
3. <u>Other</u>			
Firm Commitment/Award			
Firm Commitment/Award			
<b>D. Construction</b>			
Plans/Specification, Working Drawings			
Const. Documents Approval			
Bldg. Permits Drawn			
Start of Construction			
Site Work			
Construction			
Certificates of Occupancy			
Lease-up			
Project completed			
Close-Out Report Submitted			

**PART III: PROJECT SITE CONTROL, ZONING, & ENVIRONMENTAL ISSUES**

**1. Site Control is in the form of:**

- ☐ Deed  
☐ Purchase Agreement  
☐ Option (Expiration Date \_\_\_\_\_)  
☐ Other \_\_\_\_\_

**a. Please Attach Written Documentation of Site Control**

**2. Site is currently zoned: \_\_\_\_\_**

**a. Please Attach Written Verification of Zoning Designation**

**3. Is the zoning appropriate for your project?**

☐ Yes ☐ No

If no, is rezoning currently in process and when is it anticipated that this issue will be resolved? Date \_\_\_\_\_

**4. Describe what, if any, Environmental Assessment activities have been conducted.**

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**a. Please attach a copy of any environmental findings/reports received.**

**NOTE:** An environmental review is required before ACDA can release any HOME Program funding and therefore it is essential that developers **do not proceed** with any activity (e.g., acquisition, rehabilitation, demolition, construction, etc.) prior to the release of funds lest the project or activity be rendered ineligible for HOME funding.

## **PART IV: PROJECT FINANCING**

### **1. Please Attach the Following Items**

- Sources and Uses of all funds
- Development Budget
- Project Pro-Forma - throughout the HOME affordability period (Not required for Homeownership projects)
- Cash Flow Statement

### **2. Please describe the specific use of HOME Funds (i.e. construction hard costs, soft costs)**

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### **3. If the project utilizes Tax Credits, have the Tax Credits been awarded?**

\_\_\_\_\_ Yes          \_\_\_\_\_ No

a. If yes, attach notice of Tax Credit award.

b. If yes, has the project secured an equity investor and at what price

\_\_\_\_\_ Yes          \_\_\_\_\_ No      Price of Credits - \_\_\_\_\_ cents.

### **4. Has the project secured a firm commitment from a construction lender?**

\_\_\_\_\_ Yes          \_\_\_\_\_ No

### **5. Has the project received a conditional commitment from a construction lender?**

\_\_\_\_\_ Yes          \_\_\_\_\_ No

### **6. Provide the following information and attach written verification of any commitments received. If you do not have any commitments, provide the name of the lender you are working with.**

Lender Name \_\_\_\_\_ Phone number \_\_\_\_\_

Contact Person \_\_\_\_\_

Address \_\_\_\_\_

Commitment Amount \$ \_\_\_\_\_ Rate/Term \_\_\_\_\_

7. Identify the total amount of other funds (private and/or public) in the project that would be leveraged by the HOME Funds?

Funding Source	Amount Leveraged
	\$
	\$
	\$
	\$
	\$
	\$
TOTAL FUNDS LEVERAGED	\$



**PART V: CAPACITY AND EXPERTISE**

**1. Has your agency previously undertaken this type of project before?**

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

**a. If yes, identify the three most recent projects completed:**

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**2. Identify the staff responsible to complete the project and indicate any experience specifically related to this project (submit resumes).**

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**2. Briefly summarize the project management or sales plan (as applicable). Identify the staff or agency responsible: for ongoing project management; or for marketing and selling of units; and any experience specifically related to this project.**

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**Attach copy of Management/Sales Plan.**

## PART VI: HOME REQUIREMENTS

1. Describe the accessibility *improvements or modifications* that are required by the Fair Housing Act and Section 504, please provide an *estimated cost*. (Applicable to projects containing 5 or more units)

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Please indicate in the chart below overall accessibility by type for all units in the project.

For guidance on Section 504 requirements:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/disabilities/sect504docs](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/disabilities/sect504docs)

Section 504 Compliance Rental Project Accessibility Based on <b>total</b> number of units in project	
Accessibility	Number of Units
Visitable	
Physically Impaired -Accessibility (five percent, minimum of one)	
Sensory Impaired –Accessibility (two percent, minimum of one)	
All other units	
<i>Total Number of Units (entire project)</i>	

**4. Does this project increase the diversity of housing types in the neighborhood?**

Responses to this question should describe how the proposed project will provide a new type of housing choice in the neighborhood in which it is situated.

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

**a. If yes, please describe:**

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**5. Will this project utilize green building principles?**

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

**a. If yes, please describe:**

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**6. Will this project coordinate with and enhance the work of other entities in the neighborhood, such as employers, business improvement districts, schools, job training agencies or social service agencies?**

(e.g. Example #1: Developers may have an MOU with a job training agency, agreeing to help train and/or employ the agency's clients – either in the construction of the project or in the ongoing management and operations of the project.

Example #2: Developers may have sited their project in a specific location as a result of discussions with neighborhood employers that have identified the lack of suitable affordable housing for their employees as a concern.)

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

**a. If yes, please describe:**

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In this section please describe all the methods the project will utilize to employ and contract with local residents and businesses:

7. Will this project utilize workers from the neighborhood?

\_\_\_\_\_ Yes          \_\_\_\_\_ No

a. If yes, please describe method of recruitment:

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8. Will this project provide training opportunities or utilize local training programs to enhance employment opportunities to local residents?

\_\_\_\_\_ Yes    \_\_\_\_\_ No

a. If yes, please describe:

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9. Will this project give priority to Certified (City, County, or State) Small/Disadvantaged/Women/Minority/or Section 3 business enterprise contractors?

\_\_\_\_\_ Yes    \_\_\_\_\_ No

a. If yes, please describe:

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**10. Describe the projects Affirmative Marketing Plan (Applicable to projects Containing 5 or more units):**

Please complete form HUD 935.2A to describe the project's Affirmative Fair Housing Marketing Plan. Form HUD 935.2A can be found here:

<http://www.hud.gov/offices/adm/hudclips/forms/files/935-2a.pdf>

**11. Does the project contain any occupied units?**

\_\_\_\_\_ Yes \_\_\_\_\_ No

**a. If yes, please describe how the project will minimize displacement of occupants:**

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**If the project is a rehabilitation project, please attach a Lead Safe work plan**

**12. Which lead requirements and actions apply to this project?**

Applicable Lead Requirements		
Housing constructed before 1978	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Exempt: housing constructed 1978 or later	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Otherwise exempt (specify)	Yes <input type="checkbox"/>	No <input type="checkbox"/>

**Check applicable action:**

Lead Hazard Remediation Actions	
Lead Safe Work Practices (24 CFR 35.930 (b))	<input type="checkbox"/>
Visual Assessment/Paint Stabilization (24 CFR 35.1015)	<input type="checkbox"/>
Interim Controls or Standard Practices (24 CFR 35.930 (c))	<input type="checkbox"/>
Abatement (24 CFR 35.930 (d))	<input type="checkbox"/>
None	<input type="checkbox"/>

**13. Do you anticipate the project having 12 or more HOME assisted units?**

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

**a. If yes, the project will require compliance with Federal Davis-Bacon and Related Acts**